

Commerce Committee Public Hearing

Thursday, February 24, 2010

In Support of the Raised Bill 1023, if certain corrections are made to 19-416(a)

Testimony of ~~Tod Bryant~~ President, Norwalk Preservation Trust

Historic Preservation is an Economic Engine

Historic preservation is a proven job creator. Connecticut already has some effective, revenue-producing, job-creating historic preservation programs in place. They should be recognized for their contributions to the state's economy and enhanced where their effectiveness could be increased. Expanding the types of buildings and uses eligible for Connecticut's Historic Rehabilitation Tax Credit programs will increase the number of jobs created and historic buildings rehabilitated as well as private funds invested and federal funds flowing into our state.

The words "historic preservation" don't immediately bring to mind visions of job growth, new business startups, increased quality of life, efficient infrastructure utilization, reduced energy costs, increased tourism revenues or even revitalized communities – but they should. States and communities all across the country have seen significant positive economic results in all of these areas when they support and expand their historic preservation programs and incentives. For example, in Rhode Island between 2004 and 2007 the state Historic Preservation Investment Tax Credit alone leveraged \$5.47 million of private investment for every \$1 million in tax credits and it created 5,334 construction jobs followed by over 3,000 permanent jobs in rehabilitated historic properties. The federal rehabilitation tax credits nationwide leveraged \$1.28 billion in credits into \$5.64 billion in private investment in 2008 -- a factor of about 4.4 to 1. These projects also created 67,705 new jobs. Dollar for dollar, historic preservation is one of the most productive economic engines available.

Unlike Historic Rehabilitation Tax Credit statutes in the other 31 states that use them, the current Connecticut statutes do not encourage the rehabilitation of many types of historic buildings, including hotels, apartment buildings, churches, schools and other municipal buildings. They also do not provide incentive for creating the jobs associated with office, commercial, hotel, entertainment, cultural or manufacturing uses. Expanding the tax credit programs will encourage the creation of these types of jobs and many others.

There are some flaws in the raised bill that would hinder its effectiveness. I support the changes suggested by Connecticut Preservation Action in the attached document.